

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2605 - SB 2486

February 16, 2016

SUMMARY OF BILL: Requires a driver license issued to persons under the age of 21 to expire one month after the licensee turns 21 years of age.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$204,500/One-Time

Assumptions:

- Based on information provided by the Department of Safety (DOS), and information provided to the Department by the card vendor, a one-time modification to the A-List driver's license system will be required to accomplish the provisions of the bill. The one-time increase in state expenditures to perform such modification is estimated to be \$200,000.
- The current eight year issuance period became effective January 1, 2016. All driver licenses issued to drivers under 21 years of age under the prior system expired on the licensee's 21st birthday.
- DOS confirms that 18 year old applicants are currently being issued licenses that expire at the age of 21 pursuant to Tenn. Code Ann. § 55-50-337, which allows for three to eight year licenses to be issued in order to smoothly transition to the new eight year cycle.
- The provisions of the bill would require expiration of licenses, issued to 19 and 20 year olds who have obtained or will obtain a driver's license between January 1, 2016 and January 1, 2017, to occur earlier than the expiration date printed on such licenses. The exact number of drivers that will be affected by these provisions is not known. However, it is reasonably estimated to affect a minimum of 1,000 drivers statewide.
- It is reasonably assumed the drivers affected by the provisions of the bill will be issued new driver's license cards that will expire one month after their 21st birthday. It is further assumed that the card in which the driver gets assigned after the age of 21 will expire on the same date as their original card in order to maintain the original card cycle.
- The provisions of the bill will result in the estimated 1,000 drivers being required to get a replacement license with the revised expiration date. It is further assumed DOS would not charge a fee for issuing these replacement license cards.
- The contract price for a driver's license is \$2.23 per card.

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- The one-time increase in state expenditures relative to issuing replacement cards is estimated to exceed \$4,460 (\$2.23 per card x minimum 1,000 cards x 2 cards per driver).
- The total one-time increase in state expenditures is estimated to exceed \$204,460 (\$200,000 + \$4,460).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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